STATEMENT BY MINISTER

Supply of Gasohol in the country

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): Now, Shri Ram Naik to make a Statement. You can either lay it on the Table of the House or read it.

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): Sir, I would prefer reading it. Sir, Brazil has been producing ethanol from sugarcane molasses and juice for more than 40 years. Similarly, U.S.A has also been producing it from corn-maize. Ethanol thus produced, is being blended in petrol to the extent of 20 per cent to 24 per cent in Brazil, and is widely used, successfully, as auto-fuel. As per the present Bureau of Indian Standard specifications, ethanol content in petrol is permitted up to 5 per cent.

Ethanol is produced from renewable source of energy, and by using it in the petroleum industry, the sugarcane cultivation and industrial activity would stimulate higher growth in the primary as well as secondary sectors, apart from contributing to cleaner environment. In order to ascertain economic and operational aspects of blending of ethanol in petrol in terms of logistics, pricing, environmental impact, etc. in the Indian context, the Government had launched three Ethanol-Gasoline Pilot projects; two in Maharashtra and one in Uttar Pradesh, covering over 300 retail outlets, which have been selling 5 per cent ethanol-blended petrol.

In addition to field trials being conducted through pilot projects, Research and Development studies are also being separately undertaken on various types of vehicles to monitor the impact of using Ethanol-petrol blends on driveability, fuel economy, vapour-locking etc. R and D studies would be completed by March 2002.

Encouraged by the success of the pilot projects, I had convened two meetings, one on 12th November, 2001 with the representatives of the various Ministries, and the representatives of the State Governments of Maharashtra and U.P., and, subsequently, on 29th November, 2001 with my colleagues, the Minister of Agriculture, Shri Ajit Singh, the Minister of Food, Consumer Affairs and Public Distribution, Shri Shanta Kumar, the Minister of

State for Petroleum and Natural Gas and Parliamentary Affairs, Shri Santosh Kumar Gangwar, the Minister of State for Rural Development, Shri Annasaheb M.K. Patil, Representatives of Governments of Uttar Pradesh and Maharashtra, along with members of the Task Force also attended the meetings. Various supportive actions from the Union and State Governments with regard to production and use of ethanol were also discussed.

Based on these deliberations, Government have taken the following decisions:

(i) Sale of petrol blended with ethanol @ 5 per cent in the country to be implemented in two phases. During the first phase, States of Andhra Pradesh, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Tamil Nadu and Uttar Pradesh would be covered and during the second phase, rest of the country.

(ii) Existing three Pilot Projects to take up blending of Ethanol in Petrol @ 10% after sorting the issues such as modifications of BIS specifications, etc.

(iii) Rs.4 crores were sanctioned for R&D studies on blending of ethanol in diesel, keeping in view of the fact that about 80% of fuel consumed by automobiles in India is diesel. These studies are to be completed within 6 months.

In order to encourage blending of ethanol in petrol, it would be necessary to price it well below the import parity price of petrol. Sugar industries and distilleries would have to supply ethanol at competitive price.

Further, Government have taken a major decision to amend the Sugar Development Act, 1982, so that production of ethanol and co-generation of power from bagasse would get financial assistance from the Sugar Development Fund. This would give impetus to encourage our efforts in increasing the use of ethanol for blending and for an efficient use of the entire quantity of molasses currently produced. The increased returns to the units concerned would naturally flow back to the agriculturists. With stable and assured payments, the farmers would gain in the process.

I do hope that this decision of blending ethanol in petrol would usher a new era as it will benefit the country and especially sugarcane producing farmers and oil industry. This decision would also help to save valuable foreign exchange as the country is importing nearly 70% of petroleum requirements.

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): No Member wants to seek clarifications on this.

SHRI A. VIJAYA RAGHAVAN (Kerala) : Mr. Vice-Chairman, Sir, if you permit me, I would like to seek one clarification.

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): But you have not sent your name. Anyway, please seek the clarification.

SHRI A. VIJAYA RAGHAVAN: First of all, I would like to thank the hon. Minister for his new endeavour. In the statement, it is mentioned that, during the first phase, this facility will be available in some States only, and it would be extended to the rest of the country, in the next phase. I would like to know from the hon. Minister the time limit by which this facility will be extended to the rest of the country.

SHRI RAM NAIK: I must make it clear as to why it is being implemented in two phases. The States which have been covered in the first phase, are the major sugarcane-producing States. So, infrastructure required for sugar factories, distilleries, etc., is already available there. Then, ethanol, which is being produced there, has to be supplied to other States. In those States, distilleries can be easily set up; molasses is readily available; necessary equipment is also available. That is why such States have been covered during the first phase. As far as time-limit is concerned, I would say that it will take about one year. In the first year, we will do this, and it would be our endeavour to ensure that this facility is made available all over India during the second phase.

श्री बालकवि बैरागी (मध्य प्रदेश): उपसभाध्यक्ष जी, अगर आप परमिट करें तो मैं एक क्लैरीफिकेशन पूछना चाहता हूं। महोदय, माननीय मंत्री जी ने बताया कि पहले वह 5 प्रतिशत को परमिट करेंगे और उस के बाद 10 प्रतिशत परमिट करेंगे। फिर इथनॉल मिलने के बाद पेट्रोल की या ईंधन की जो स्थिति बनेगी उस का हमारी बसों, गाडियों या व्हीकल्स के इंजन पर क्या असर

5.00 p.m.

पडेगा, उन के मेंटेनेंस पर क्या असर पडेगा? क्या आप के विभाग ने दूसरे विभाग से मिलकर इस संबंध में अध्ययन करवाया है या उस संबंध में आप की कोई तैयारी है ?

श्री राम नाईक: महोदय, इन सारी बातों का अध्ययन हम ने किया है । ब्राजील और अमेरिका में जो व्हीकल्स चलती हैं, उन का भी अध्ययन किया है । महोदय, इथनॉल का उपयोग होने के बाद इंजन अधिक अच्छे ढंग से चल सकते हैं । उस में इंजन स्ट्राइक के समय कम-से-कम फ्युअल खराब हो, उस का धुंआ न निकले इत्यादि टैक्नीकल बातें हैं इथनॉल मिश्रित करने से इंजन अधिक अच्छी परिस्थिति में काम करेगा । महोदय, इथनॉल में ऑक्सीजनेट होता है जिस कारण पॉल्यूशन भी पेट्रोल के कारण होने वाले पॉल्यूशन से थोड़ा कम होगा । इस तरह यह एक अच्छा प्रयोग है । इस का अध्ययन किया हुआ है । दूसरी बात, अभी केवल 5 प्रतिशत परमिट इसलिए कर रहे हैं क्योंकि हमारे देश के स्टेंडर्ड स्पेसीफिकेशंस इस समय 5 प्रतिशत अलाउ करते हैं । वह दुरूस्त कर लेंगे तो उस के बाद 10 प्रतिशत सब जगह परमिट करेंगे ।

GOVERNMENT RESOLUTION

Proposal of the Government to reject the award given on 21 * February, 1983 by the Board of Arbitration in C.A. reference No. 9(a) of 1980s.

THE MINISTER OF COMMUNICATIONS (SHRI PRAMOD MAHAJAN): Sir, I beg to move:

> "That this House approves the proposal of the Government to reject the Award given on 21st February, 1983 by the Board of Arbitration in C.A. Reference NO. 9(a) of 1980 in respect of reduction of working hours of the operative offices of the Departments of Posts and Telecommunications in terms of Para 21 of the Scheme for Joint Consultative Machinery and Compulsory Arbitration, as the implementation of the Award involves total expenditure of approximately. Rs.2250 crores up to 1999 and recurring expenditure of approximately. Rs.250 crores per annum thereafter for both the Departments which will adversely affect the national economy and will also have implication on similarly placed employees in other Central Government Departments."

The Question was proposed.